



May 20. Just one day after the House and Senate gave final approval to S. 896, *Helping Families Save their Homes Act*, which had been amended to include *the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act*, President Obama signed the legislation into law in a late afternoon ceremony at the White House. In signing the bill, the President drew particular attention to provisions that offer renters whose landlords fall into foreclosure new protections against eviction and increased attention to homeless families with children, who the President noted are "the fastest growing segment of the homeless population."

Under the new tenant protection provisions which take effect immediately, tenants must be allowed to remain in their residence, pursuant to their lease, following a foreclosure except in the case of month to month leases or when the new owner will occupy the unit as a primary residence in which case the tenant must receive at least 90 days notice to vacate.

The Helping Families Save their Homes Act was introduced to improve the government's efforts to help struggling families avoid foreclosure by making the [Hope for Homeowners Program](#) more flexible and responsive. During consideration of the bill in the Senate, Senators Jack Reed (RI) and Christopher Bond (MO) offered a successful amendment to incorporate into the bill the provisions of the HEARTH Act, legislation that had been introduced in the House and Senate in April to reauthorize HUD's McKinney-Vento homeless assistance programs and the U.S. Interagency Council on Homelessness. The House, which had passed a similar version of the HEARTH Act in the last Congress, accepted the inclusion of the HEARTH Act in S 896.

HUD Secretary Shaun Donovan released a statement Wednesday calling the President's signing of the legislation "another critical step forward in this Administration's effort to strengthen our nation's housing market and help millions of American homeowners stay in their homes," and noted that the new law also "allows HUD to take a giant leap forward in our ability to help thousands of local homeless housing and service programs across this country." Commenting further on the incorporation of the HEARTH Act into the new law, he said, "Local communities will have much greater flexibility to put federal funding to work in a way that make sense for them. I applaud the Congress for its hard work to give us the tools we need to meet the modern challenges that confront those who would otherwise be faced with living on our streets."

In a statement released on Tuesday after Congress sent the bill with the HEARTH Act provisions to the President, Senator Reed said, "This bill invests \$2.2 billion for targeted homelessness assistance grants and provides communities with greater flexibility to spend the money on programs that have a proven track record of success." He added, "This is a wise use of federal resources that will save taxpayers money in the long run by preventing homelessness, promoting the development of permanent supportive housing, and optimizing self-sufficiency." He noted that the measure ". . . allows more funding to flow to communities that can demonstrate a commitment to accomplishing the goals of preventing and ending homelessness."

Among other provisions, the new law:

Consolidates HUD's Supportive Housing Program, Shelter Plus Care, and the Moderate Rehabilitation/Single Room Occupancy Program into one program to simplify and streamline application and administration processes.

Replaces the Emergency Shelter Grants program with an "Emergency Solutions Grant" program that emphasizes prevention and rapid rehousing and increases the amount of funding for homelessness prevention to 20%.

Affirms the focus on permanent supportive housing solutions for long term homeless persons with disabilities; 30% of funding must be used for new permanent housing for families and individuals with a disability.

Provides rural areas with more flexibility and requires HUD to provide incentives for communities to implement proven strategies to significantly reduce homelessness.

Modifies the definition of homelessness for HUD's homeless assistance programs to include people who will lose their housing in 14 days (current practice is 7 days); people fleeing or attempting to flee domestic violence, or other dangerous or life threatening situations; and families with children and unaccompanied youth defined as homeless under other Federal statutes who have experienced a long term period without living independently in permanent housing and can be expected to continue in such status for an extended period of time.

The new law also reauthorizes the U.S. Interagency Council on Homelessness, making explicit the mission of the Interagency Council to "coordinate the Federal response to homelessness and to create a national partnership at every level of government and with the private sector to reduce and end homelessness in the nation while maximizing the effectiveness of the Federal Government in contributing to the end of homelessness." The Interagency Council is tasked with developing and submitting to the President and Congress within 12 months a National Strategic Plan to End Homelessness. The new law affirms in statute inclusion of the Commissioner of the Social Security Administration, the

Attorney General, the Director of the Office of Management and Budget, Director of the USA Freedom Corps and the head of the White House Faith Based Office as members of the Interagency Council and the Council's responsibility to continue "encouraging the creation of State Interagency Councils on Homelessness and the formulation of jurisdictional 10 year plans to end homelessness at the State , city, and county levels."